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MEDIA RELEASE

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SUPPORT FOR INSURANCE & REPAIR INDUSTRY CODE OF PRACTICE

The Liberal Party supports the introduction of an enforceable code of practice between insurers and body repairers.

The value of a code in regulating the relationship between insurers and body repairers has been referred to the Productivity Commission by the Federal Government.

Liberal Spokesperson for Consumer Affairs, Wendy Lovell and I have met with representatives of the insurance and the body repair industries to discuss the code of practice issue.

We support the implementation of an enforceable code of practice under the Australian Competition and Consumer Commission, to ensure that the interests of consumers are fully protected and business to business arrangements are fair under the provisions of the Trade Practices Act in respect to smash repairs.

Some insurers have developed codes of practice to suit their business models and are pursuing business alliances and agreements that minimise repair costs, consequently keeping insurance premiums as low as possible.

An enforceable code of practice will not unreasonably prevent insurers from pursuing those alliances or agreements, but it will ensure that those arrangements are transparent and do not unfairly restrict a consumer's choice of repairer or compromise safety standards of repair work.

A code would also ensure that the market power of large insurance companies is not used unfairly or unconscionably to force small businesses to enter into agreements that involve unreasonable terms and conditions, for example regarding payment rates.

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